



Origo Partners PLC

## Annual Financial Report

RNS Number : 4452R  
Origo Partners PLC  
30 June 2020

### Origo Partners PLC

("Origo" or the "Group" or the "Company")

### Annual Audited Financial Statements and Posting of Annual Report

Origo Partners PLC today announces its audited results for the year ended 31 December 2019.

The Company also announces that copies of its 2019 Annual Report and Accounts are today being posted to shareholders and will be available on the Company's corporate website.

Ends

For further information about Origo please visit [www.origopartners.com](http://www.origopartners.com) or contact:

#### Origo Partners plc

John Chapman	55 Athol Street
Chairman	Douglas
	Isle of Man IM1 2LA

#### Nominated Adviser and Broker

Arden Partners plc	+44 (0)20 7614 5900
Richard Johnson	
Ben Cryer	

#### Chairman's Letter

Dear Shareholders,

I had not expected to be writing this letter because our plan was that Origo Partners Plc ("the Company") would be in liquidation by now but unfortunately, as noted in our 7 May 2020 RNS announcement, this has not been practicable due to the global pandemic. We continue, however, to take steps to accomplish this objective. Over the last year, we have terminated the Company's investment advisor, received the final proceeds from the sale of our stake in Niutech Energy Limited and returned \$2.1 million to shareholders.

Aside from assets with a nil valuation, we continue to maintain investments in Celadon Mining Limited (Celadon) and Gobi Coal & Energy Ltd. (Gobi Coal). Celadon, as we announced on 12 June 2020, has entered into an agreement with a third party for the sale of the company's assets. If the transaction completes, the Company would expect to receive net proceeds of approximately \$4.2 million as compared to a current carrying value of \$1.129 million. As outlined in the announcement on 12 June, there are hurdles to completion of this transaction and for that reason we have left the carrying value unchanged. We hope to have better visibility into the progress of the transaction by the end of the third quarter of this year.

Gobi Coal has informed us that it has completed a small capital raise to meet running costs. The Company did not participate in that raise and as a result its shareholding in Gobi Coal was diluted, although the Company continues to be a substantial shareholder. Gobi Coal has also informed the Company that it has reorganized its structure and has completed audits of subsidiary companies. The Company's access to information about Gobi Coal is limited, and the Company is unable to determine if these developments will lead to anything positive for Gobi Coal's shareholders.

Our objectives continue to be selling the Company's remaining assets, returning capital to shareholders and putting the Company into liquidation. As global restrictions are lifted the Company will make further announcements in due course.

Very truly yours,

**John D. Chapman**

Chairman

Origo Partners Plc

Date: 29 June 2020

### **Directors' Report**

The Directors present their report together with the audited financial statements for the year ended 31 December 2019.

#### **Results and dividends**

The result of the Group for the year is set out below and shows a loss for the year of US\$567,000 (2018: US\$8,036,000). The Directors approved a capital distribution of US\$0.02947 to the holders of the Company's redeemable preference and US\$0.00117 to the holders of the Company's ordinary shares at US\$0.00117 per ordinary share (2018: US\$nil). The retained loss of the year of US\$567,000 (2018: US\$8,036,000) has been transferred to reserves.

#### **Principal activities, review of business and future developments**

On 20 November 2014, the Company's Investing Policy changed from that of a closed-ended, permanent capital vehicle to that of a realisation company with the mandate to return the net proceeds of realisations to shareholders over a four year period. However, investments will only be realised when the Independent Directors believe the terms are appropriate. A review of the business of the Company is covered in the Chairman's Letter.

#### **Directors**

At 31 December 2019:

Mr John Chapman

Mr Peter Philip Scales

Mr Hiroshi Funaki

#### **Directors' responsibilities in respect of the financial statements**

The Directors are responsible for the preparation of the financial statements. The Directors have elected to prepare the financial statements in accordance with applicable law and International Financial Reporting Standards as adopted by the European Union. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them on a consistent basis;
- make judgments and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

#### **Directors' Report**

The Directors are responsible for keeping reliable accounting records which correctly explain the transactions of the Company, and which enable the financial position of the Company to be determined with reasonable accuracy. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Corporate Governance Statement**

The Board of Origo Partners Plc has adopted the Quoted Companies Alliance 2018 Corporate Governance Code (the "QCA Code"). The Company is committed to the highest standards of corporate governance, ethical practices and regulatory compliance. In particular, the Board is committed to ensuring that the Company is governed in a manner to allow efficient and effective decision making, with robust risk management procedures.

The Company is reliant upon its service providers for many of its operations and as such will maintain an ongoing and rigorous review of these providers. The Company's compliance with the QCA Code is reported on the Company's website ( [www.origopartners.com](http://www.origopartners.com) ), and at the back of this report. The Company will provide annual updates on changes to compliance with the QCA Code.

#### **Going concern**

The Board has concluded that the Company and the Group is not considered to be a going concern and as a result of this the consolidated financial statements for the year ended 31 December 2019 have been prepared on an orderly realisation basis. The share capital of the Company has been reorganised so that the redemption of the Redeemable Preference Shares (previously Convertible Preference Shares) will be settled with the proceeds of realisations as and when they occur.

#### **Auditor and disclosure of information to auditor**

As far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware.

Financial statements are published on the Group's website in accordance with legislation in the Isle of Man governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Each of the Directors has taken all the steps they ought to have taken individually as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Lubbock Fine, who, being eligible, have expressed their willingness to continue in office in accordance with the Isle of Man Companies Act 2006.

By Order of the Board  
Philip Peter Scales

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF ORIGO PARTNERS PLC** *(incorporated in the Isle of Man with limited liability)*

#### **QUALIFIED OPINION**

We have audited the consolidated financial statements of Origo Partners Plc (the 'Company') and its subsidiaries (the 'Group') for the year ended 31 December 2019, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2019 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union

#### **BASIS FOR QUALIFIED OPINION**

In the year ended 31 December 2018, the Group's Consolidated Statement of Comprehensive Income included the following:

	<b>2018 (US\$ '000 )</b>
Realised losses on disposal of investments	(292)

Unrealised losses on investments	(5,603)
Bad debt provision	(1,222)
Income tax credit	499

We were unable to obtain sufficient appropriate audit evidence as to whether any of these profits or losses should have been made in periods prior to the year ended 31 December 2018. Consequently, we were unable to determine whether any adjustments were required to the losses made in the year ended 31 December 2018 and Consolidated Statement of Financial Position as at 31 December 2017.

We issued a qualified opinion in relation to the financial statements for the year ended 31 December 2018 on the basis of this. Due to the lack of appropriate audit evidence we are unable to confirm that the amounts presented in these financial statements for the year ended 31 December 2018 are comparable.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Kingdom, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the consolidated financial statements is not appropriate; or
- the directors have not disclosed in the consolidated financial statements any identified material uncertainties that may cast significant doubt about the Group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the consolidated financial statements are authorised for issue.

#### EMPHASIS OF MATTER - BASIS OF PREPARATION

As explained in Note 1, the Directors do not consider either the Group or Company to be a Going Concern, and so consider that the financial statements should be prepared on a basis other than that of going concern. As explained in Note 1, no adjustments are required to the financial statements as a result of preparing the financial statements on this basis. Our opinion is not modified in respect of this matter.

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Valuation of investments (Note 11)</b></p> <p>The Group holds unquoted investments with a fair value at 31 December 2019 of \$1,407k.</p> <p>These are held at fair value and are revalued annually by management. Unquoted investments have no readily available market price and so are valued in accordance with International Private Equity and Venture Capital Valuation Guidelines by using measurement of value such as multiples, discounted cash flow and industry valuation benchmarks.</p> <p>Due to the significance of these balances to the financial statements this represents a key audit matter.</p>	<p>Obtaining an understanding of the processes and controls around investment valuation</p> <p>Evaluating the appropriateness of the valuation approach and methodology applied by management.</p> <p>Challenging key assumptions and inputs into the valuation models uses</p>
<b>Comparability of 2018 figures</b>	

<p>Our audit opinion was modified in the prior year on the basis that we were unable to obtain sufficient audit evidence in respect of balances in the Consolidated Statement of Financial Position at 31 December 2017.</p> <p>This represents a key audit matter due to difficulties in being able to obtain sufficient audit evidence that the figures presented in the Consolidated Statement of Comprehensive Income for 2018 are comparable with the figures for 2019.</p>	<p>Ultimately we were unable to obtain sufficient audit evidence in this area in respect of the Consolidated Statement of Comprehensive Income and our audit report was modified accordingly.</p>
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#### OUR APPLICATION OF MATERIALITY

The scope and focus of our audit was influenced by our assessment and application of materiality. We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the consolidated financial statements.

We define financial statements materiality as the magnitude by which misstatements, including omissions, could influence the economic decisions taken on the basis of the consolidated financial statements by reasonable users.

We also determine a level of performance materiality, which we use to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the consolidated financial statements as a whole.

- **Overall materiality** - We determine materiality for the consolidated financial statements as a whole to be \$78,000. This was based on the key performance indicator, being 2% of gross assets. We believe gross asset values are the most appropriate bench mark due to the minimal income statement activity during the year and existence of key balance sheet items.
- **Performance materiality** - On the basis of our risk assessment, together with our assessment of the company's control environment, our judgement is that performance materiality for the consolidated financial statements should be 55% of materiality, amounting to \$43,000.

#### AN OVERVIEW OF THE SCOPE OF OUR AUDIT

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole, taking into account an understanding of the structure of the Group, its activities, the accounting processes and controls, and the industry in which they operate. Our planned audit testing was directed accordingly and was focused on areas where we assessed there to be the highest risk of material misstatement. During the audit, we reassessed and re-valuated audit risks and tailored our approach accordingly.

The audit testing included substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls and management of specific risk.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during the audit.

#### OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our Auditors' Report thereon. Our opinion on the consolidated financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are

required to determine whether there is a material misstatement in the consolidated financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **RESPONSIBILITIES OF DIRECTORS**

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process. The audit committee of the Company (the "Audit Committee") assists the directors in discharging their responsibility in this regard.

#### **AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE GROUP FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However future events or conditions may cause the Group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with our engagement letter dated 2 October 2018. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

#### Lubbock Fine

Chartered Accountants & Statutory Auditors  
3rd Floor Paternoster House  
65 St Paul's Churchyard  
London  
EC4M 8AB

Date: 29 June 2020

#### Consolidated statement of comprehensive income

For the year ended 31 December 2019

	Notes	2019 US\$'000	2018 US\$'000
<b>Investment loss:</b>	2		
Realised losses on disposal of investments		(75)	(292)
Unrealised losses on investments		-	(5,843)
		<b>(75)</b>	<b>(6,135)</b>
Other income		-	139
Other administrative expenses	3	(1,270)	(1,644)
Bad debt provision	4	-	(1,222)
Share based payment	22	103	-
Financial guarantee derecognition	16	435	-
Foreign exchange loss		(3)	(11)
<b>Net loss before finance costs and taxation</b>		<b>(810)</b>	<b>(8,873)</b>
Finance costs	6	(4)	338
<b>Loss before tax</b>		<b>(814)</b>	<b>(8,535)</b>
Income tax credit	7	247	499
<b>Loss after tax</b>		<b>(567)</b>	<b>(8,036)</b>
<b>Other comprehensive income</b>			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translating foreign operations		(41)	146
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>		<b>(41)</b>	<b>146</b>
Tax on other comprehensive income		-	-
<b>Other comprehensive income net of tax</b>		<b>(41)</b>	<b>146</b>
<b>Total comprehensive loss after tax</b>		<b>(608)</b>	<b>(7,890)</b>

#### Loss after tax

Attributable to:

- Owners of the parent		(567)	(8,036)
- Non-controlling interests		-	-
		<b>(567)</b>	<b>(8,036)</b>
<b>Total comprehensive loss</b>			
Attributable to :			
- Owners of the parent		(608)	(7,890)
- Non-controlling interests		-	-
		<b>(608)</b>	<b>(7,890)</b>
Basic loss per ordinary share	8	<b>(0.03) cents</b>	<b>(0.45) cents</b>
Diluted loss per ordinary share	8	<b>(0.03) cents</b>	<b>(0.45) cents</b>
Basic loss per redeemable zero dividend preference share	8	<b>(3.24) cents</b>	<b>(42.10) cents</b>
Diluted loss per redeemable zero dividend preference share	8	<b>(3.24) cents</b>	<b>(42.10) cents</b>

The accompanying notes form an integral part of these consolidated financial statements.

### Consolidated statement of financial position

At 31 December 2019

Assets	Notes	2019 US\$'000	2018 US\$'000
<b>Non-current assets</b>			
Property, plant and equipment	9	-	5
Investments at fair value through profit or loss	11	-	-
Loans	12	-	-
		-	5
<b>Current assets</b>			
Investments at fair value through profit or loss	11	1,407	3,527
Loans due within one year	12	-	-
Trade and other receivables	13	34	27
Cash and cash equivalents	14	2,455	3,883
		3,896	7,437
<b>Total assets</b>		<b>3,896</b>	<b>7,442</b>
<b>Current liabilities</b>			
Trade and other payables	15	296	382
Financial guarantee contracts	16	-	435
Current tax liabilities		-	-
		296	817
<b>Non-current liabilities</b>			
Provision	22	-	103
Deferred income tax liability	7	-	247
		-	350
<b>Total liabilities</b>		<b>296</b>	<b>1,167</b>
<b>Net assets</b>		<b>3,600</b>	<b>6,275</b>
<b>Equity attributable to owners of the parent</b>			
Issued capital	18	56	56
Share premium		150,027	150,414
Share - based payment reserve		5,048	5,048
Accumulated losses		(200,216)	(199,649)
Translation reserve		(1,379)	(1,338)
Other reserve	19	50,064	51,744
		3,600	6,275
Non-controlling interests		-	-
<b>Total equity</b>		<b>3,600</b>	<b>6,275</b>

The consolidated financial statements were approved by the Board of Directors and authorised for issue. They were signed on its behalf by:



Philip Peter Scales  
Director  
29 June 2020

The accompanying notes form an integral part of these consolidated financial statements.

### Consolidated statement of changes in equity

For the year ended 31 December 2019

Notes	Attributable to equity holders of the parent							Non-controlling interests	Total equity
	Issued capital	Share premium	Share-based payment reserve	Accumulated losses	Translation reserve	Other reserve	Total		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>At 1 January</b>									
<b>2018</b>	56	150,414	5,048	(191,613)	(1,484)	51,744	14,165	-	14,165
Loss for the year	-	-	-	(8,036)	-	-	(8,036)	-	(8,036)
Other comprehensive income	-	-	-	-	146	-	146	-	146
Total comprehensive income/(loss)	-	-	-	(8,036)	146	-	(7,890)	-	(7,890)
<b>At 31 December</b>									
<b>2018</b>	56	150,414	5,048	(199,649)	(1,338)	51,744	6,275	-	6,275
Loss for the year	-	-	-	(567)	-	-	(567)	-	(567)
Other comprehensive income	-	-	-	-	(41)	-	(41)	-	(41)
Total comprehensive income/(loss)	-	-	-	(567)	(41)	-	(608)	-	(608)
Capital distribution	-	(387)	-	-	-	(1,680)	(2,067)	-	(2,067)
<b>At 31 December</b>									
<b>2019</b>	56	150,027	5,048	(200,216)	(1,379)	50,064	3,600	-	3,600

The following describes the nature and purpose of each reserve within parent's equity:

Reserve	Description and purpose
Share premium	Amounts subscribed for share capital in excess of nominal value.
Share-based payment reserve	Equity created to recognise share-based payment expense.
Accumulated losses	Cumulative net gains and losses recognised in profit or loss.
Translation reserve	Equity created to recognise foreign currency translation differences.
Other reserve	Own shares acquired, EBT (as defined in Note 22) shares and capital redemption and capitalisation of redeemable zero dividend preference shares ("RZDP").

The accompanying notes form an integral part of these consolidated financial statements.

### Consolidated statement of cash flows

For the year ended 31 December 2019

	Notes	2019 US\$ '000	2018 US\$ '000
<b>Loss before tax</b>		<b>(814)</b>	<b>(8,535)</b>
Adjustments for:			
Depreciation and amortisation	3	5	16
Share - based payments	22	(103)	-
Provision for bad debts	4	-	1,222
Realised losses on disposal of investments	2	75	292
Unrealised losses on investments at FVTPL*	2	-	5,843
Foreign exchange gains		15	14

Interest expenses		-	-
Other adjustment		(23)	-
<b>Operating loss before changes in working capital and provisions</b>		<b>(845)</b>	<b>(1,148)</b>
Proceeds from disposals of investments at FVTPL*	11	2,045	7,383
Movement in loans	12	-	734
Current and deferred tax paid		-	(550)
Increase in trade and other receivables		(7)	(371)
Decrease in trade and other payables		(86)	(999)
Derecognition of financial guarantee	16	(435)	-
<b>Net cash inflow from operations</b>		<b>672</b>	<b>5,049</b>
Investing activities			
Disposal of property, plant and equipment		-	-
<b>Net cash inflow from investing activities</b>		<b>-</b>	<b>-</b>
Financing activities			
Capital distribution		(2,100)	-
Repayment of borrowing		-	(2,500)
<b>Net cash out flow from financing activities</b>		<b>(2,100)</b>	<b>(2,500)</b>
<b>Net (de crease)/ increase in cash and cash equivalents</b>		<b>(1,428)</b>	<b>2,549</b>
Effect of exchange rate changes on cash and cash equivalents		-	135
Cash and cash equivalents at beginning of year		3,883	1,199
<b>Cash and cash equivalents at end of year</b>	<b>14</b>	<b>2,455</b>	<b>3,883</b>

\* FVTPL refers to fair value through profit or loss

The accompanying notes form an integral part of these consolidated financial statements.

## Notes to the financial statements

### 1 Accounting policies

#### 1.1 Corporate information

The Company is a limited liability company incorporated and domiciled in the Isle of Man whose shares are publicly traded on the Alternative Investment Market ("AIM") of the London Stock Exchange. The registered office is located at 55 Athol Street, Douglas, Isle of Man IM1 1LA. The principal activity of the Group is that of an Investment vehicle. The Group currently holds investments in companies including unquoted interests, and illiquid publicly traded equity interests, based or principally active in China and Mongolia. On 20 November 2014, the Company's shareholders voted to amend the Company's investing policy to that of a realisation vehicle.

#### 1.2 Basis of preparation

The Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). These comprise standards and interpretations approved by the International Accounting Standards Board ("IASB"), together with interpretations of the International Accounting Standards and Standing Interpretations Committee approved by the International Accounting Standards Committee that remain in effect, to the extent that IFRS have been adopted by the EU.

#### Going concern

The Board has concluded that the Company and the Group is not considered to be a going concern and as a result of this the consolidated financial statements for the year ended 31 December 2019 have been prepared on an orderly realisation basis. There was no impact to the financial information as result of changing to this basis.

The comparative information is for the year from 1 January 2018 to 31 December 2018.

#### 1.3 Functional and presentation currency

The consolidated financial statements are presented in United States dollars, which is also the parent company's functional currency. For each group entity the Group determines functional currency and items included in the financial statements of each entity are measured using that functional currency.

#### 1.4 Use of judgments and estimates

In preparing these consolidated financial statements, management has made judgments and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The following is a list of accounting policies which cover areas that the Directors consider require estimates and judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year:

##### (a) Fair value of unquoted equity instruments

The Group has estimated the value of each of its unquoted equity instruments by using their judgement to select the most appropriate valuation methodology for each investment based on the recommendations of the International Private Equity and Venture Capital Valuation Guidelines (the "Guidelines"). For more information on estimation, refer to Note 11. Valuation methodologies mainly include multiples, discounted cash flow, industry valuation benchmarks, available market prices and so on, which may apply individually or in combination. Key assumptions and judgements of each methodology concerning the future and other key sources of estimation uncertainty will have a significant risk of causing a material adjustment to the fair value of the instruments within the next financial year.

##### (b) Assessment of the Company as investment entity

Entities that meet the definition of an investment entity within IFRS 10 are required to account for most investments in controlled entities as held at fair value through profit or loss. Subsidiaries that provide investment related services or engage in permitted investment related activities with investees continue to be consolidated unless they are also investment entities. The directors have concluded that the Company meets the definition of an investment entity.

##### (c) Assessment of the subsidiaries as investment entities

The Company controls the voting rights and ownership interests in its subsidiaries as stated in Note 10 for which the countries of incorporation for those subsidiaries are included in the same note.

Per IFRS 10, there is a requirement for the Board to assess whether each subsidiary is itself an investment entity. The Board has performed the assessments and has concluded that the subsidiaries stated in Note 10 are not operating subsidiaries of the Group for the reasons below:

- (I) The subsidiaries do not provide services to the Group (including administrative services to the Board of the Group, buying / selling securities as well as managing the portfolios on a fair value basis); and
- (II) The subsidiaries are not remunerated for these services.
- (III) Each subsidiary is itself not deemed to be an investment entity investing solely for capital appreciation and investment income and therefore the subsidiaries are consolidated.

##### (d) Share-based payments

The Group has applied the requirements of IFRS 2 "Share-based payments" in these consolidated financial statements.

The Group has issued share options, which are equity-settled share-based payments, to an ex director, certain ex-employees and to its advisors for services provided in respect of the admission of the Company to trading on the AIM of the London Stock Exchange. Equity-settled share-based payments to directors and employees are measured at the fair value of equity instruments awarded at the date of grant. Equity-settled share-based payments to non-employees are measured at the fair value of goods or services rendered at the date when the goods or

services are received. Where equity investments are granted subject to vesting conditions, equity-settled share-based payments are expensed to the profit or loss on a straight-line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest. Fair value is measured by use of the Binominal option pricing model.

The Group has also granted upper share rights/contingent share awards, which are cash-settled share-based payments, to an ex director and certain ex-employees under the Company's JSOS (as defined in Note 22). The cost of cash-settled share-based payments is measured initially at fair value at the grant date using the Binominal Tree model. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognised in expense.

When estimating the value of the share options, the upper share rights and contingent share awards, significant assumptions such as the expected life of the share options and the upper share rights, and expected volatility of the shares have been applied based on management's best estimates.

### 1.5 Summary of significant accounting policies

The accounting policies which follow set out those policies which apply in preparing the Financial Statements for the period 1 January 2019 to 31 December 2019.

#### Standards and amendments effective for the period beginning 1 January 2019 or later

A number of other new standards are effective from 1 January 2019 but they do not have a material effect on the Company's financial statements.

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. The Company is not a lessee or a lessor. The adoption of IFRS 16 had no impact on the net assets attributable to holders of shares or the Company and no restatement of comparative information was required from the adoption of this new accounting standard.

A number of new standards are effective for annual periods beginning after 1 January 2019 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

- Amendments to References to Conceptual Framework in IFRS Standards;
- Definition of a Business (Amendments to IFRS 3);
- Definition of Material (Amendments to IAS 1 and IAS 8); and
- IFRS 17 Insurance Contracts.

#### Financial instruments

##### *i) Recognition and initial measurement*

The Company initially recognises financial assets and financial liabilities at fair value through profit or loss ("FVTPL") on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

##### *ii) Classification and subsequent measurement*

###### Classification of financial assets

On initial recognition, the Company classifies financial assets as measured at amortised cost or FVTPL.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL.

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payment of principal and interest ("SPPI").

All other financial assets of the Fund are measured at FVTPL.

#### *Business model assessment*

In making an assessment of the objective of the business model in which a financial asset is held, the Company considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes expected cash outflows or realising cash flows through the sale of assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets and expectations about the future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

The Company has determined that it has two business models.

- *Held-to-collect business model*: this includes cash and cash equivalents and receivables. These financial assets are held to collect contractual cash flow.
- *Other business model*: this includes equity investments. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

#### *Assessment whether contractual cash flows are SPPI*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- prepayment and extension features;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

#### *Reclassifications*

Financial assets are not reclassified subsequent to their initial recognition unless the Company were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

#### *Subsequent measurement of financial assets*

##### *Financial assets at FVTPL*

These assets are subsequently measured at fair value. Net gains and losses, including foreign exchange gains and losses, are recognised in the statement of comprehensive income.

Equity investments and derivative financial instruments are included in this category.

##### *Financial assets at amortised cost*

These assets are subsequently measured at amortised cost using the effective interest method. Interest income is recognised in 'interest income calculated using the effective interest method', foreign exchange gains and losses are recognised in 'net foreign exchange loss' and impairment is recognised in

'impairment losses on financial instruments' in the statement of comprehensive income. Any gain or loss on derecognition is also recognised in profit or loss.

Cash and cash equivalents, receivables and balances due from brokers are included in this category.

#### *Financial liabilities - Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities at amortised cost:

- This includes trade and other payables.

Financial guarantee contracts:

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

Redeemable zero dividend preference shares:

On initial recognition, redeemable zero dividend preference shares are recognised at the fair value, which are determined using the prevailing market interest of similar non-convertible debts, net of issue costs incurred. In subsequent periods, redeemable zero dividend preference shares are carried at amortised cost using the effective interest method.

#### *iii) Amortised cost measurement*

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

#### **Equity instrument**

Financial instruments shall reclassify a financial liability as equity from the date when there is no existence of a contractual obligation to deliver cash or another financial asset by the issuer. The equity instruments are recorded at the fair value of the equity instruments issued. The difference between the carrying amount of the financial liability extinguished and the fair value of the equity instruments issued shall be recognised in profit or loss. The equity instruments issued shall be recognised initially and measured at the date the financial liability is extinguished.

#### **Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give the current ability to direct relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group does not consolidate its subsidiaries other than those that solely provide it with services that relate to its investment activities. Subsidiaries that provide services to the Group are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

Non-controlling interests represent the portion of profit or loss and net assets that is not held by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

### **Associates**

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. The Group elects to measure investments in associates at fair value through profit or loss as, in the opinion of the directors, the Company meets the definition of venture capital organisation. This treatment is permitted under IAS 28 "Investments in Associates and Joint Ventures".

### **Foreign currencies**

#### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Non-monetary financial assets and liabilities that are carried at historic cost are translated using the exchange rate as at the date of initial transactions and are not re-measured. Translation differences on non-monetary financial assets and liabilities, such as equities held at fair value through profit or loss, are recognised in profit or loss as part of the fair value gain or loss.

#### *Group companies*

The results and financial position of all group entities, none of which has the currency of a hyperinflationary economy, that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (1) assets and liabilities for each statement of financial position are translated at the closing rate at the date of that statement of financial position;

- (II) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the date of the transaction); and
- (III) all resulting exchange differences are recognised in the statement of comprehensive income as other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

### **Cash and bank and borrowings**

Cash and bank is defined as cash in hand, demand deposits, time deposit and short-term, highly liquid investments that are readily convertible into known amounts of cash. They are subject to an insignificant risk of changes in value, and have a short maturity, generally less than three months, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. For the purpose of the consolidated statement of financial position, cash and bank balances comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Borrowings are financial liabilities at amortised cost and are initially measured at fair value, net of directly attributable costs incurred. It is subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

### **Share-based payments**

Ex employees (including former senior executives) of the Group received remuneration in the form of share-based payment transactions (i.e. share options), whereby employees render services as consideration for equity instruments ("equity-settled transactions"). Certain ex director, executives and key employees of the Group were granted share appreciation rights (including upper share rights and contingent share awards), which can only be settled in cash ("cash-settled transactions"). Advisors received equity-settled options in relation to the Company's admission to trading on the AIM of the London Stock Exchange.

The cost of these options with ex employees are measured by reference to the fair value of the equity instruments awarded at the date of grant, whereas those with non-employees are measured at the fair value of goods or services received at the date when the goods or services have been received. The fair value is determined by using binominal tree model, further details of which are given in Note 22.

### **Equity-settled transactions**

The cost of equity-settled transactions (share options) is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant ex employees become fully entitled to the award (the "vesting date"). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. Movements in the liability (other than cash payments) are recognised in profit or loss.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

### **Cash-settled transactions**

The cost of cash-settled transactions (upper share rights and contingent share awards) is measured initially at fair value at the grant date using binominal tree model, further details of which are given in Note 22. This fair value is expensed over the period until the vesting date with recognition of a



corresponding liability. The liability is remeasured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognised in expense.

## **Taxes**

### *Current Income Tax*

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### *Deferred Tax*

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (I) where the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (II) in respect of taxable temporary differences associated with investments in subsidiaries and associates where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- (I) where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (II) in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Income taxes are recognised in the profit or loss or directly in equity except when a tax exemption has been granted.

## **Investment income/loss**

Investment income/loss derived from the investment activities is equivalent to "revenue" for the purposes of IAS 1. Investment income/loss is analysed into the following components:

- Realised gains/losses on the disposal of investments are the difference between the fair value of the consideration received less any directly attributable costs, on the sale of equity and the repayment

of loans and receivables, and its carrying value at the start of the accounting period.

- Unrealised gains/losses on the revaluation of investments are the movement in the carrying value of investments measured at fair value between the start and end of the accounting period and the impairment of amortised cost loans.
- Income/loss from loans is recognised on a time proportion basis as it accrues by reference to the principal outstanding and the effective interest rate applicable.

### Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of an outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of an outflow of economic benefits is remote.

## 2 Investment loss

	2019 US\$ '000	2018 US\$ '000
Realised losses on disposal of investments	(75)	(292)
- Investments at FVTP L	(75)	(292)
- Loans at FVTPL	-	-
- Subsidiary	-	-
Unrealised losses on investments	-	(5,843)
- Investments at FVTPL	-	(5,843)
- Loans at FVTPL	-	-
- Loans at amortised cost	-	-
Income from loans	-	-
<b>Total</b>	<b>(75)</b>	<b>(6,135)</b>

## 3 Other administrative expenses

	2019 US\$ '000	2018 US\$ '000
Recurring expenses:	(928)	(826)
- Directors fees	(210)	(205)
- Audit fees	(58)	(62)
- Depreciation expenses	(5)	(15)
- Amortisation expenses	(1)	(1)
- Other	(654)	(543)
Non-recurring expenses*	(342)	(818)
<b>Total</b>	<b>(1,270)</b>	<b>(1,644)</b>

\* Non-recurring expenses include professional fees of an ad-hoc nature and previous advisor fees.

## 4 Bad debt provision

	2019 US\$ '000	2018 US\$ '000
Loans with Staur Aqua	-	(734)
Loans with Unipower	-	(182)

Other receivables	-	(306)
<b>Total</b>	-	<b>(1,222)</b>

## 5 Directors' remuneration

	2019 US\$ '000	2018 US\$ '000
Directors' emoluments	(210)	(205)
Share - based payment expense s	-	-
	(210)	(205)

Directors' remuneration for the year 2019 and the number of options held were as follows:

Name	Salaries * US\$ '000	Director fee US\$ '000	Share - based payment ** US\$ '000	Total US\$ '000	2019 Number of options
Mr. Hiroshi Funaki	-	75	-	75	-
Mr. Philip Peter Scales	-	55	-	55	-
Mr. John Chapman	-	80	-	80	-
	-	210	-	210	-

Directors' remuneration for the year 2018 and the number of options held were as follows:

Name	Salaries * US\$ '000	Director fee US\$ '000	Share - based payment ** US\$ '000	Total US\$ '000	2018 Number of options
Mr. Hiroshi Funaki	-	75	-	75	-
Mr. Philip Peter Scales	-	50	-	50	-
Mr. John Chapman	-	80	-	80	-
	-	205	-	205	-

\* Short term employee benefits.

\*\* Share - based payment refers to expenses arising from the Company's share option scheme (Note 22 ).

## 6 Finance costs

	2019 US\$ '000	2018 US\$ '000
Interest expenses of borrowing	-	335
Bank charges	(4)	3
	(4)	338

## 7 Income tax

As the Company is not in receipt of income from Manx land, certain related business or property and does not hold a Manx banking licence, it is taxed at the standard rate of 0% on the Isle of Man. The Company is resident for tax purposes in the Isle of Man and subject to corporate income tax at the standard rate of 0% and as such no provision for tax in the Isle of Man has been made.

	2019 US\$ '000	2018 US\$ '000
<b>Current tax</b>		
Current year*	-	499
<b>Deferred tax</b>		
Deferred income tax **	247	-
<b>Total income tax credit in the consolidated statement of comprehensive income</b>	<b>247</b>	<b>499</b>

\* The current year tax credit in 2018 represents a reversal of a 2011 audit adjustment relating to Six Waves investment.

\*\* The deferred income tax credit in 2019 relates to the write-back of the 2018 deferred tax provision, which was reversed after the disposal of Niutech (see below).

The income tax for the year can be reconciled per the consolidated statement of comprehensive income as follows :

	2019 US\$ '000	2018 US\$ '000
<b>Loss before tax</b>	<b>(1,106)</b>	<b>(8,535)</b>
Loss before tax multiplied by rate of corporate income tax in the Isle of Man of 0% (2018: 0%)	-	-
<b>Deferred tax</b>		
Effects of:		
Release of deferred tax provision**	247	-
Release of current taxation provision	-	499
<b>Total income tax credit in the consolidated statement of comprehensive income</b>	<b>247</b>	<b>499</b>

Deferred income tax liability:

	2019 US\$ '000	2018 US\$ '000
Deferred income tax liability**	-	247
<b>Total deferred income tax liability</b>	<b>-</b>	<b>247</b>

\*\* As at 31 December 2019, the deferred income tax liability was US\$nil (2018: US\$247,000). The amount at 31 December 2018 was in respect of the investment held in Niutech. This investment has been disposed of and the final funds were received in the year ended 31 December 2019 from the sale of this investment from the State Administration of Foreign Exchange (SAFE) in China.

## 8 Loss per share ("LPS")

Numerator	2019 US\$ '000	2018 US\$ '000
Loss for the year attributable to ordinary shareholders of the parent		
as used in the calculation of basic loss per share	(122)	(1,578)
Loss for the year attributable to redeemable zero dividend preference shareholders of the parent as used in the calculation of basic loss per share	(486)	(6,312)
Loss for the year attributable to ordinary shareholders of the parent as used in the calculation of diluted loss per share	(122)	(1,578)
Loss for the year attributable to redeemable zero dividend preference shareholders of the parent as used in the calculation of diluted loss per share	(486)	(6,312)
<b>Denominator</b>	<b>2019 Number of Shares</b>	<b>2018 Number of shares</b>
Weighted average number of ordinary shares for basic LPS	351,035,389	351,035,389
Effect of dilution*:		
Share options	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	351,035,389	351,035,389
Weighted average number of redeemable zero dividend preference shares for basic LPS before and after adjusted for the effect of dilution	14,991,781	14,991,781
Basic LPS of ordinary shares	(0.03) cents	(0.45) cents
Diluted LPS of ordinary shares	(0.03) cents	(0.45) cents
Basic LPS of redeemable zero dividend preference shares	(3.24) cents	(42.10) cents

Diluted LPS of redeemable zero dividend preference shares (3.24) cents (42.10) cents

\* Diluted loss per share for the years ended 31 December 2019 and 31 December 2018 is the same as the basic loss per share, as the Company's outstanding share options and convertible zero dividend preference shares had an anti-dilutive effect on the basic loss per share for the years ended 31 December 2019 and 31 December 2018.

## 9 Property, plant and equipment

	Vehicles US\$ '000
<b>Cost</b>	
At 1 January 2019	85
Disposal	-
At 31 December 2019	85
<b>Accumulated depreciation</b>	
At 1 January 2018	65
Charge for the year 2018	15
Disposal	-
At 31 December 2018	80
Charge for the year 2019	5
At 31 December 2019	85
<b>Net book value</b>	
At 31 December 2018	5
At 31 December 2019	-

## 10 Investments in subsidiaries

The principal subsidiaries of the Group are as follows:

Name	Country of incorporation	Proportion of ownership interest at 31 December 2019	Proportion of ownership interest at 31 December 2018
Ascend Ventures Ltd	Malaysia	100%	100%
Origo Resource Partners Ltd	Guernsey	100%	100%
PHI International Holding Ltd	Bermuda	100%	100%
PHI International (Bermuda) Holding Ltd*	Bermuda	100%	100%
Ascend (Beijing) Consulting Ltd**	China	100%	100%

\* Owned by Origo Resource Partners Ltd

\*\* Owned by Ascend Ventures Ltd

## 11 Investments at fair value through profit or loss

As at 31 December 2019

Name	Country of incorporation	Fair value hierarchy level	Proportion of ownership interest	Cost US\$'000	Fair value US\$'000
Celadon Mining Ltd	British Virgin Islands	3	8.9%	13,069	1,129
Six Waves Inc	British Virgin Islands	3	1.1%	240	-
Gobi Coal & Energy Ltd	British Virgin Islands	3	7.5%	14,960	275
Marula Mines Ltd	South Africa	3	0.9%	250	-
Fram Exploration AS	Norway	3	0.6%	1,223	-

Staur Aqua AS	Norway	3	9.2%	719	-
Unipower (Note b)	Cayman Islands	3	16.5%	4,301	-
	British Virgin				
China Rice (Note b)	Islands	3	32.1%	13,000	-
	British Virgin				
Moly World Ltd (Note b)	Islands	3	20.0%	10,000	-
Other quoted investments		1		593	3
					<b>1,407</b>

The shares held in China Rice and Unipower are all convertible preference shares whilst the remaining investments held in the other entities are all ordinary equity shares. The 'proportion of ownership interest' represents the percentage of the shares held by the Group in all share classes.

As at 31 December 2018

Name	Country of incorporation	Fair value hierarchy level	Proportion of ownership interest	Cost US\$'000	Fair value US\$'000
Niutech (Note a)	British Virgin Islands	3	3.7%	2,654	2,120
Celadon Mining Ltd	British Virgin Islands	3	8.9%	13,069	1,129
Kincora (Note b)	Canada	3	30.9 %	8,571	-
Six Waves Inc	British Virgin Islands	3	1.1%	240	-
Gobi Coal & Energy Ltd	British Virgin Islands	3	7.5 %	14,960	275
Marula Mines Ltd	South Africa	3	0.9%	250	-
Fram Exploration AS	Norway	3	0.6 %	1,223	-
Staur Aqua AS	Norway	3	9.2%	719	-
Unipower (Note b)	Cayman Islands	3	16.5%	4,301	-
	British Virgin				
China Rice (Note b)	Islands	3	32.1%	13,000	-
	British Virgin				
Moly World Ltd (Note b)	Islands	3	20.0%	10,000	-
Other quoted investments		1		593	3
					<b>3,527</b>

The shares held in China Rice and Unipower are all convertible preference shares whilst the remaining investments held in the other entities are all ordinary equity shares. The 'proportion of ownership interest' represents the percentage of the shares held by the Group in all share classes.

Notes

- The Company held 95.3% interest in Niutech Energy Ltd, by which Niutech is indirectly held. This investment was disposed of in 2019.
- These investments are associates of the Group measured at fair value through profit or loss.

In accordance with IFRS 13 "Fair Value Measurement", investments recognised at fair value are required to be analysed between those whose fair value is based on:

- Quoted prices in active markets for identical assets or liabilities (Level 1);
- Those involving inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. In 2017, the Group transferred an investment with fair value of approximately US\$1,607,000 as at 31 December 2017 from Level 1 to Level 3, primarily related to an equity security traded in active markets while there have been no transfers between levels during the year of 2018.

The following table provides an analysis of investments carried at fair value by level of fair value hierarchy:

2019				
	Level 1	Level 2	Level 3	Total
	US\$'000	US\$'000	US\$'000	US\$'000

Investments at fair value through profit or loss

- Listed equity investments	3	-	-	3
- Unlisted equity investments	-	-	1,404	1,404
	<b>3</b>	<b>-</b>	<b>1,404</b>	<b>1,407</b>

**2018**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Investments at fair value through profit or loss				
- Listed equity investments	3	-	2,120	2,123
- Unlisted equity investments	-	-	1,404	1,404
	<b>3</b>	<b>-</b>	<b>3,524</b>	<b>3,527</b>

Changes in investments at fair value through profit or loss based on Level 3:

	<b>2019</b>	<b>2018</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Opening balance	3,524	17,012
Proceeds from disposals of investments	(2,042)	(7,378)
Realised gain/(losses) on disposals of investments	(75)	(292)
Movement in unrealised losses on investments		
- In profit or loss	-	(5,818)
<b>Closing balance</b>	<b>1,407</b>	<b>3,524</b>

Description of significant unobservable inputs to valuation:

As at 31 December 2019

	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Range</b>
Celadon Mining Ltd	Multiples method	Discount for lack of marketability	80%
Gobi Coal & Energy Ltd	Consensus pricing method	Offered quote	\$275,348

As detailed in Note 27, Celadon Mining Ltd have announced the sale of their assets for approximately RMB 330m on deferred payment terms. If this amount was to be received, converted at current exchange rates, and the amounts paid directly to Origo through a share buyback mechanism, the Board believe that this could result in a return of around \$4.2m.

However, due to the uncertainties around the deferred payment and the lack of information available to the Board in respect of this transaction, the inability of Origo to exert control to convert this settlement into a payment to Origo, and the global pandemic of the novel coronavirus COVID-19 occurring between the year end and the date of this transaction, the Board do not consider that this announcement represents sufficient evidence to base a fair value of the investment at 31 December 2019.

As at 31 December 2018

	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Range</b>
Celadon Mining Ltd	Multiples method	Discount for lack of marketability	80%
Gobi Coal & Energy Ltd	Consensus pricing method	Offered quote	\$275,348

## 12 Loans

The Group has entered into convertible credit agreements and has the right to convert the outstanding principal balance of relevant loans into borrower's shares according to certain conversion conditions, and loan agreements with certain investee companies as set forth in the table below.

As at 31 December 2019:

<b>Borrower</b>	<b>Loan rates</b> %	<b>Loan principal</b> US\$'000	<b>Loans due within one year</b> US\$'000	<b>Loans due after one year</b> US\$'000	<b>Fair value</b> US\$'000
Convertible credit agreements*					
Staur Aqua AS	0-15	3,848	-	-	-
			-	-	-

The convertible loan issued to Staur Aqua was fully impaired in 2018.

As at 31 December 2018 :

<b>Borrower</b>	<b>Loan rates</b> %	<b>Loan principal</b> US\$'000	<b>Loans due within one year</b> US\$'000	<b>Loans due after one year</b> US\$'000	<b>Fair value</b> US\$'000
Convertible credit agreements*					
Staur Aqua AS	0-15	3,848	-	-	-
			-	-	-

\* Loans in relation to convertible credit agreements are measured at fair value. Loans in relation to loan agreements are measured at amortised cost using the effective interest rate method less any identified impairment losses.

### 13 Trade and other receivables

	<b>2019</b> US\$'000	<b>2018</b> US\$'000
Trade debtors	-	-
Other debtors	8	22
Prepayment	26	5
<b>Total</b>	<b>34</b>	<b>27</b>

### 14 Cash and cash equivalents

	<b>2019</b> US\$'000	<b>2018</b> US\$'000
Current account	2,455	3,883
<b>Total cash and cash equivalents</b>	<b>2,455</b>	<b>3,883</b>

### 15 Trade and other payables

	<b>2019</b> US\$'000	<b>2018</b> US\$'000
Trade payables	-	-
Other payables	296	382
<b>Total</b>	<b>296</b>	<b>382</b>

### 16 Financial guarantee contracts

	<b>2019</b> US\$'000	<b>2018</b> US\$'000
Financial guarantee contracts*	-	435
<b>Total</b>	<b>-</b>	<b>435</b>

\* In July 2013, the Group entered into a purported guarantee agreement with IRCA Holdings Ltd and ABSA Bank Limited purportedly to guarantee the repayment of loan facilities of up to Rand 6,769,000 extended by ABSA Bank Limited to IRCA Holdings Ltd, which has applied for liquidation, so the Group recognised the purported guarantee as a liability.



IRCA Holdings Ltd was struck off the company register in British Virgin Islands in the year ended 31 December 2018, and in the period since strike-off the Company has received no request for payment of any amounts under this guarantee. Given the time lapse since the guarantee was purportedly given and that IRCA Holdings Ltd., the counterparty has been stricken from the Companies' Register, the Board now considers that the possibility of the purported guarantee being exercised as remote. The Board has therefore decided to no longer recognize the purported guarantee as a Company liability.

#### 17 Redeemable / convertible zero dividend preference shares

	Number of shares	Liability componen nt US\$ '000	Equity componen t US\$ '000	Other reserve US\$ '000
<b>Balance at 1 January 2018</b>	<b>57,000,000</b>	-	-	<b>50,688</b>
Interest expense on redeemable zero dividend preference shares	-	-	-	-
Capitalisation of redeemable zero dividend preference shares	-	-	-	-
<b>Balance at 31 December 2018</b>	<b>57,000,000</b>	-	-	<b>50,688</b>
Distribution to redeemable preference share holders	-	-	-	(1,068)
<b>Balance at 31 December 2019</b>	<b>57,000,000</b>	-	-	<b>49,620</b>

In September 2017, the Company restructured the terms of its existing convertible zero dividend preference shares, where the conversion feature has been removed, which were revised as redeemable zero dividend preference shares. The principal terms of restructure includes: i) removal of redemption of at least 12 million convertible zero dividend preference shares and/or maturity date; ii) reset of the accreted principal amount per preference shares to US\$1.0526 each; iii) no rate of return on the outstanding amount will begin to accrete until 1 January 2018 and, iv) in respect of each preference share still in issue on 1 January 2018, its principal amount of US\$1.0526 shall be subject to the accretion of a rate of return equal to 4 per cent per annum from (and including) 1 January 2018 to (and including) the date on which such amount is redeemed, with such return accruing on a simple and not compound basis. Due to the revised terms, the convertible zero dividend preference shares were regarded as an extinguishment and redeemable zero dividend preference shares were therefore recognised.

On 27 September 2017, the rights attaching to the redeemable zero dividend preference shares and the ordinary shares changed so that they rank alongside each other, and the redeemable zero dividend preference shareholders receive distributions when ordinary shareholders do. Post 27 September 2017, the redeemable zero dividend preference shares are accounted for as an equity instrument in accordance with the accounting policies disclosed in Note 1.5.

All future distributions to ordinary and redeemable zero dividend preference shareholders are on the following basis (pro rata within the respective classes of shares):

- in respect of the first US\$15 million of distributions, 80 percent (i.e. US\$12 million) to the redeemable zero dividend preference shareholders and 20 percent (i.e. US\$3 million) to the ordinary shareholders;
- in respect of distributions in excess of the first US\$15 million: until such time as all redeemable zero dividend preference shares have been redeemed in full, 44 percent to the redeemable zero dividend preference shareholders and 56 percent to the ordinary shareholders; thereafter, 100 percent to the ordinary shareholders.

The redeemable zero dividend preference shares are now subject to the distribution in accordance with articles 4.10 to 4.12 of the Articles. In summary, the distributions will be made, at such reasonable time as the Board shall decide, when:

- (i) the Company has available funds, which is the aggregate amount of the Company's net cash less working capital requirements for the following 12 months and;
- (j) the Company would be able to comply with the solvency test under the Companies Act 2006 ("Solvency Test") immediately after distribution.

In the year ended 31 December 2019 a distribution of US\$1,680,000 was made to holders of the redeemable zero dividend preference shares.

**18 Issued capital**

<b>Authorised</b>	<b>2019</b>		<b>2018</b>	
	<b>Number of shares</b>	<b>£'000</b>	<b>Number of shares</b>	<b>£'000</b>
Ordinary shares of £ 0.0001 each	500,000,000	50	500,000,000	50
<b>Issued and fully paid</b>	<b>Number of shares</b>	<b>US\$'000</b>	<b>Number of shares</b>	<b>US\$'000</b>
Ordinary shares of £ 0.0001 each				
<b>At beginning and end of the year</b>	<b>358,746,814</b>	<b>56</b>	<b>358,746,814</b>	<b>56</b>
Redeemable zero dividend preference shares of no par value (note 19)				
<b>At 1 January</b>	<b>57,000,000</b>	-	57,000,000	-
	-	-	-	-
<b>At 31 December</b>	<b>57,000,000</b>	-	<b>57,000,000</b>	-

**19 Other reserve**

This mainly comprised 57,000,000 (US\$50,688,000) redeemable zero dividend preference shares at no par value capitalised in September 2017 (see note 17).

**20 Note to the consolidated statement of cash flows****(a) Major non-cash transaction**

During the year ended 31 December 2019, interest expenses of US\$nil (2018: (US\$335,000)) related to interest on borrowings and redeemable zero dividend preference shares.

**21 Financial instruments - Risk management**

The Group are exposed through their operations to one or more of the following risks:

- Fair value risk
- Cash flow interest rate risk
- Currency risk
- Liquidity risk
- Concentration risk
- Price risk

The policy for managing these risks is set by the board. The policy for each of the above risks is described in more detail below:

**Fair value risk**

The Group's financial assets are predominantly investments in unquoted companies, and the fair value of each investment depends upon a combination of market factors and the performance of the underlying asset. The Group does not hedge the market risk inherent in the portfolio but manages asset performance risk on an asset-specific basis by continuously monitoring each asset's performance and charging the change of each asset's fair value to the consolidated statement of comprehensive income as necessary.

**Cash flow interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates is relatively small as the Group's outstanding debt is fixed rate. Meanwhile, the interest income is not material in the context of the total portfolio return as a whole.

**Currency risk**

Some of the Group's assets, liabilities, income and expenses are effectively denominated in currencies other than US Dollars (the Group's presentation and functional currency). Fluctuations in the exchanges rates between these currencies and US Dollars will have an effect on the reported value of those items.

The following table demonstrates the sensitivity of the Group's loss before tax due to a change in the fair value of monetary assets and liabilities resulting from a reasonably possible change in the US

dollar, with all other variables held constant.

	Appreciation/ (depreciation) in US\$	Effect on loss before tax US\$'000	Effect on net asset value US\$'000
2019	+10%	72	72
	-10%	(72)	(72)
2018	+10%	69	69
	-10%	(69)	(69)

The assumed movement for currency rate sensitivity analysis is based on the currently observable market environment.

The Group's assets and liabilities that are effectively denominated in currencies other than the functional currency, US Dollars, are:

2019	GBP US\$'000	NOK US\$'000	RMB US\$'000	HKD US\$'000	CAD US\$'000	ZAR US\$'000	Total US\$'000
Cash and bank balances	24	-	1	63	-	-	88
Investments at FVTPL*	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Trade and other receivables	-	-	(4)	-	-	-	(4)
<b>Total Assets</b>	24	-	(3)	63	-	-	84
Trade and other payables	-	-	-	-	-	-	-
Financial guarantee contracts	-	-	-	-	-	-	-
Provision	-	-	-	-	-	-	-
<b>Total Liabilities</b>	-	-	-	-	-	-	-
2018	GBP US\$'000	NOK US\$'000	RMB US\$'000	HKD US\$'000	CAD US\$'000	ZAR US\$'000	Total US\$'000
Cash and bank balances	126	-	1	66	-	-	193
Investments at FVTPL*	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Trade and other receivables	-	-	(4)	-	-	-	(4)
<b>Total Assets</b>	126	-	(3)	66	-	-	189
Trade and other payables	-	-	-	-	-	-	-
Financial guarantee contracts	-	-	-	-	-	(435)	(435)
Provision	(103)	-	-	-	-	-	(103)
<b>Total Liabilities</b>	(103)	-	-	-	-	(435)	(538)

### Liquidity risk

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the end of reporting period to the contractual maturity date or, if earlier, the expected date on which the financial liabilities will be settled. The amounts in the table are the contractual undiscounted cash flows.

Liabilities	Carrying amount	Less than 1 month	1-3 months	3-12 months	over 12 months	Total
31 December 2019	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Other payables	296	296	-	-	-	296
Upper share rights /contingent share awards	-	-	-	-	-	-
Short-term borrowing	-	-	-	-	-	-
<b>Total</b>	296	296	-	-	-	296

**Financial guarantees  
issued**

Maximum amount guaranteed	435	-	-	435	-	435
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**Liabilities**

31 December 2018	Carrying amount	Less than 1 month	1-3 months	3-12 months	over 12 months	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Other payables	382	382	-	-	-	382
Upper share rights /contingent share awards	103	-	-	-	103	103
Short-term borrowing	-	-	-	-	-	-
<b>Total</b>	<b>485</b>	<b>382</b>	<b>-</b>	<b>-</b>	<b>103</b>	<b>485</b>

**Financial guarantees  
issued**

Maximum amount guaranteed	435	-	-	435	-	435
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**Concentration risk**

The main concentration risk for Origo is that the largest investments are concentrated in China for the amount of US\$1,133,000 (2018: US\$3,249,000), 81% (2018: 86%) out of the total portfolio value of US\$1,407,000 (2018: US\$3,527,000).

**Price risk**

Price risk may affect the value of listed and unlisted investments as a result of changes in market prices (other than arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market.

As the majority of financial instruments are carried at fair value, with fair value changes recognised in the consolidated statement of comprehensive income, all changes in market conditions will directly affect reported portfolio returns.

Price risk is managed by constructing a diversified portfolio of instruments traded on various markets and hedging where appropriate.

The following table details the sensitivity to a 10% variation in equity prices. The sensitivity analysis includes all equity investments held at fair value through profit or loss and adjusts their valuation at the year-end for a 10% change in value.

	2019 US\$'000	2018 US\$'000
Increase in price	141	353
Decrease in price	(141)	(353)

The sensitivity to equity and fund investments has not increased during the year due to net investments and investment portfolio loss in the year.

**22 Share-based payments**

The Group has a number of share schemes that allow an ex-director, certain ex-employees and its advisors to acquire shares in the Company, as detailed in Note 1.4(d).

The total cost recognised in the consolidated statement of comprehensive income is shown below:

	<b>2019</b>	<b>2018</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Equity-settled option	-	-
Upper share rights/contingent share awards	(103)	-
<b>Total</b>	<b>(103)</b>	<b>-</b>

The following table illustrates the number ("No.") and weighted average exercise prices ("WAEP") of, and movements in, share options during the years ended 31 December 2019 and 31 December 2018.

	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	<b>No.</b>	<b>WAEP</b>	<b>No.</b>	<b>WAEP</b>
<b>Outstanding at 1 January</b>	<b>10,000,000</b>	<b>32.37p</b>	<b>13,500,000</b>	<b>29.22p</b>
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	500,000	-	3,500,000	-
<b>Outstanding at 31 December</b>	<b>9,500,000</b>	<b>31.00p</b>	<b>10,000,000</b>	<b>32.37p</b>
<b>Exercisable at 31 December</b>	<b>9,500,000</b>	<b>31.00p</b>	<b>10,000,000</b>	<b>32.37p</b>

The weighted average remaining contractual life for the share options outstanding as at 31 December 2019 was 2.09 years (31 December 2018: 2.94 years).

Outstanding options include 500,000 and 9,500,000 equity-settled options granted on 6 February 2009 and 2 February 2012 respectively to certain directors and employees of the Company. The Company did not enter into any share-based transactions with parties other than employees during the years from 2007 to 2018, except as described above.

During the years 2018 and 2019, there were no options granted, forfeited or exercised.

The following table illustrates the number ("No.") and weighted average exercise prices ("WAEP") of, and movements in upper share rights and contingent share awards during the years ended 31 December 2019 and 31 December 2018.

	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	<b>No.</b>	<b>WAEP</b>	<b>No.</b>	<b>WAEP</b>
<b>Outstanding at 1 January</b>	<b>7,711,425</b>	<b>9.48p</b>	<b>7,711,425</b>	<b>9.48p</b>
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	4,718,067	-	-	-
<b>Outstanding at the end of the year</b>	<b>2,993,358</b>	<b>9.48p</b>	<b>7,711,425</b>	<b>9.48p</b>
<b>Exercisable at the end of the year</b>	<b>2,993,358</b>	<b>9.48p</b>	<b>7,711,425</b>	<b>9.48p</b>

The weighted average remaining contractual life for the share options outstanding as at 31 December 2019 was 4.29 years (2018: 2.53 years).

On 16 October 2009, 4,847,099 of upper share rights were granted to certain director, executives and key employees under the Company's joint share ownership scheme ("JSOS"). 50% of upper share rights vested 12 months from the date of grant and 50% of upper share rights vested 24 months from the date of grant. The fair value of the upper share rights is estimated at the end of each reporting period using the binomial tree option pricing model. The contractual life of each upper share rights granted is 10 years and therefore these all expired in the year ended 31 December 2019.

On 20 July 2012, 1,120,000 of contingent share awards were granted to certain directors, executives and key employees under the Company's JSOS, which vested 197 days from the date of grant. The contractual life of each contingent share award granted is 10 years.

On 30 December 2014, 2,423,358 of share awards were granted to certain key employees under the Company's JSOS, which vested immediately at the date of grant. The contractual life of each share offer granted is 10 years.

The carrying amount of the liability relating to the upper share rights and the contingent share award as at 31 December 2019 is US\$nil (2018: US\$103,000) and the credit expense recognised as share-based payments during the year is US\$103,000 (2018: US\$nil).

### 23 Related party transactions

#### *Identification of related parties*

The Group has a related party relationship with its subsidiaries, associates and key management personnel. The Company receives and pays certain debtors and creditors on behalf of its subsidiaries and the amounts are recharged to the entities. Transactions between the Company and its subsidiaries have been eliminated on consolidation.

#### *Transactions with key management personnel*

The Group's key management personnel are the non-executive directors as identified in the director's report.

The following balances were included in trade and other payables and were outstanding in respect of Directors remuneration at the year end.

	2019 US\$'000	2018 US\$'000
<b>Amounts due to related parties</b>		
Key management personnel:		
Hiroshi Funaki	(19)	(19)
Philip Peter Scales	(15)	(13)
John Chapman	(35)	(35)

### 24 Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages and makes appropriate adjustments to its capital structure on an ongoing basis in light of changes in economic conditions and the risk characteristic of the underlying assets. To maintain or adjust the capital structure, the Group may adjust dividend payments to shareholders, return capital to shareholders and/or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the years ended 31 December 2019 and 31 December 2018.

The Group monitors capital using a gearing ratio, which is net debt divided by capital plus net debt. Net debt includes total liabilities less cash and bank balances. Capital includes equity attributable to equity holders of the parent company. The gearing ratios as at the reporting dates were as follows:

	2019 US\$'000	2018 US\$'000
Total liabilities	296	1,167
Less: Cash and bank balances	(2,455)	(3,883)
<b>Net debt</b>	<b>(2,159)</b>	<b>(2,716)</b>
Equity attributable to equity holders of the parent	3,600	6,275
<b>Capital</b>	<b>3,600</b>	<b>6,275</b>
<b>Capital and net debt</b>	<b>1,441</b>	<b>3,559</b>
<b>Gearing ratio</b>	<b>(150%)</b>	<b>(76%)</b>

**25 Summary of financial assets and financial liabilities by category**

	<b>2019</b>	<b>2018</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Financial assets</b>		
Cash	2,455	3,883
Financial assets at amortised cost	34	28
Fair value through profit or loss - designated	1,407	3,527
	<b>3,896</b>	<b>7,438</b>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	296	485
Financial guarantee contracts	-	435
	<b>296</b>	<b>920</b>

**26 Commitments and contingencies**

There were no material contracted commitments or contingent assets or liabilities at 31 December 2019 (31 December 2018: none) that have not been disclosed in the consolidated financial statements.

**27 Subsequent events**

In June 2020, the Company were informed by the controlling shareholder of Celadon Mining Ltd. ("Celadon") that Celadon has entered into an agreement with a third party to sell Celadon's assets for approximately RMB 330 million net to Celadon or approximately \$47 million ("the net sale proceeds") with closing scheduled for the earlier of (i) the lifting of certain restrictions on travel in connection with the global pandemic or (ii) 31 December 2020. The controlling shareholder then expects to return the net sale proceeds to Celadon's shareholders through a share buyback. If this occurs the Company would receive approximately USD 4.2 million. The Company invested approximately USD 13.1 million in Celadon in 2011. In the Company's last published accounts dated 30 June 2019, the Celadon investment was carried at a "fair value" of \$1.129 million. The Company has not been involved in the negotiations for the sale of the Celadon assets and has no direct insight into whether closing will occur as planned.

The extent of the impact of the coronavirus ("COVID-19") outbreak on the financial performance of the company's investments will depend on future developments, including the duration and spread of the outbreak and related advisories and restrictions and the impact of COVID-19 on the financial markets and the overall economy, all of which are highly uncertain and cannot be predicted. If the financial markets and/or the overall economy are impacted for an extended period, the company's investment results may be materially adversely affected.

**Statement of Compliance with the QCA Corporate Governance Code**

(This disclosure was last reviewed and updated on 25 June 2020)

**Introduction**

The Board of Origo Partners Plc (the "Company") has adopted the 2018 QCA Corporate Governance Code (the "QCA Code"). The Board intends to take appropriate measures to ensure that the Company complies with the QCA Code.

**Principle 1 - Establish a strategy and business model which promote long-term value for shareholders**

The Company is now in realisation mode and entered into an amended Asset Realisation Agreement with the Company's investment consultant Origo Advisers Limited on 20 April 2018. This Agreement was terminated for cause in March 2019.

The Company holds a portfolio of unquoted interests and illiquid, publicly traded, equity interests, in companies principally based or active in China and Mongolia ("Portfolio").

The Company shall, through an orderly realisation program, seek to divest the entire Portfolio over a period of no longer than 4 years ("Realisation Period") at such time and under such conditions as the Independent Directors may determine in order to maximize value on behalf of Shareholders. The 4-year period ended on 20 November 2018. On 24 December 2019, the Company announced its intention to put the remaining assets up for auction. On 7 May 2020 the Company announced that the auction process had been delayed due to the effect of the Covid-19 pandemic.

The Company's realisation policy will not result in any immediate or accelerated sales; investments will only be realised when, in the opinion of the Independent Directors, appropriate terms can be agreed.

During the Realisation Period, the Company shall maintain the ability at its discretion, to pursue follow-on investments in the existing Portfolio companies in order to maximize value and/or facilitate future divestments.

All divestments, and any follow-on investments relating to a Portfolio company, above a cumulative threshold of US\$500,000, will be considered and approved by the Independent Directors.

Net proceeds of divestments shall, pursuant to the Company's Articles of Association, be distributed to shareholders at such time as determined by the Board of Directors, at its absolute discretion, for the purpose of maximizing returns to shareholders while maintaining sufficient liquidity for working capital and provisions for follow-on investments.

Principle 2 - Seek to understand and meet shareholder needs and expectations

Although the Company is in realisation mode the Directors actively seek to build a relationship with its shareholders and continue to manage shareholder's expectations. The Company remains committed to listening and communicating openly with its shareholders to ensure that its strategy and performance are clearly understood. Meetings are held with shareholders, typically following the issuing of results. For shareholders the AGM is the main forum for dialogue with the Board and Directors are available to answer questions raised by shareholders. The results of the AGM are subsequently published on the Company's website.

There are also periodic class meetings held which is another forum for dialogue with the Directors, the results of these class meetings are also published on the Company's website. The Directors are the main point of contact for the shareholders.

Principle 3 - Take into account wider stakeholder and social responsibilities and their implications for long-term success.

This principle now has limited applicability, given that the investment policy of the Company is to realise its portfolio and to return the net proceeds to shareholders. The Board has oversight, accountability and contact with key resources and relationships.

The group's stakeholders include shareholders, auditors, regulators and industry bodies.

Engaging with stakeholders strengthens relationships and helps with business decisions in order to deliver the investment policy.

Principle 4 - Embed effective risk management, considering both opportunities and threats, throughout the organisation.

The Company's investment activities expose it to various types of risks, which are associated with the financial instruments and markets in which it invests. The Board needs to ensure that the Company's risk management framework identifies and addresses all relevant risks.

The Board is responsible for reviewing and evaluating risk and considers the risks to the business at regular board meetings.

The Group is exposed through their operations to one or more of the following risks:

- Country risk
- Fair value risk
- Cash flow interest rate risk
- Currency risk
- Credit risk
- Liquidity risk
- Concentration risk
- Price risk

The policy for managing these risks is set by the board and is available to view on the Company's website.

The Board has overall responsibility for the Company's systems of internal controls, for reviewing their effectiveness and ensuring efficient day to day operations. These controls aim to ensure that assets of the Company are safeguarded, proper accounting records are maintained and the financial information used within the business and for publication are reliable.

Following their appointment in 2017, the new board appointed FIM Capital Limited as Administrator in order to improve the levels of corporate governance, accounting and day to day management of the Company.



Principle 5 - Maintain the board as a well-functioning, balanced team led by the chair.

The Origo board was reconstituted in late 2017 with the appointment of three new directors and the resignations of two of the incumbent directors. In September 2017, Hiroshi Funaki joined the Origo board as a nominee of Origo's largest ordinary shareholder. On 31 October 2017, John Chapman joined the Origo board as a nominee of our largest preference shareholder. Also, on 31 October 2017, Philip Scales joined the board as an independent director. John Chapman was elected the Company's Chairman. In April 2018, Niklas Ponnert an employee of the investment adviser resigned from the Board.

In the period since the new board was appointed, the primary focus has been to establish more robust controls over company assets, strengthen the Company's capital position by repaying debt, reduce costs, renegotiate the advisory agreement, clarify the assets owned and begin to accelerate the realization of company assets in order to be able to return cash to shareholders

The Board now comprises three non- executive directors, John Chapman (Chairman), Hiroshi Funaki and Philip Scales and all three have an effective and an appropriate balance of skills and experience for a company of this size.

The Board holds regular meetings, a minimum of at least 4 times per annum, either formally in person or informally by telephone and ad hoc meetings are held as required. For the year ended 31 December 2019 nine board meetings took place. All meetings were attended by all directors.

Principle 6 - Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities.

The Board currently consists of three Non- Executive Directors. The Board is satisfied that between the Directors it has an effective and appropriate balance of skills and experience, reflecting a broad range of commercial and professional skills across geographies and industries that is necessary to ensure the Company is equipped to deliver its investment objective. Additionally, each Director has experience with public companies.

John Chapman is an experienced investment company director with significant experience in managing and advising investment companies in many emerging and developed markets. Mr. Chapman is a member of the New York State Bar and holds the Chartered Financial Analyst (CFA) credential.

Hiroshi Funaki worked at Edmond de Rothschild Securities from 2000 to 2015 where he led the Investment Companies team, focusing on Emerging Markets and Alternative Assets. Prior to that, he was Head of Research at Robert Fleming Securities, also specialising in closed-end funds. He currently acts as a consultant to a number of emerging market investors. He has a BA in Mathematics and Philosophy from Oxford University.

Philip Scales has over 40 years' experience working in offshore corporate, trust, and third party administration. For 18 years, he was Managing Director of Barings Isle of Man (subsequently to become Northern Trust) where he specialised in establishing offshore fund structures, latterly in the closed-ended arena (both listed and unlisted entities). Mr. Scales subsequently co-founded FIM Capital Limited where he is Deputy Chairman. He is a Fellow of the Institute of Chartered Secretaries and Administrators and holds a number of directorships of listed companies and collective investment schemes.

FIM Capital Limited ("FIM") is the Fund's administrator, registrar and registered agent, and provide specialist fund administration services to a variety of closed ended funds and collective investment schemes. Many of the closed ended schemes are quoted on the London Stock Exchange. FIM Capital Limited act as secretary to the Company and are available to advise and support the Board on corporate governance and secretarial matters.

Legal firms in London and China have been appointed to specifically provide advice to the Board on all matters relating to the sale of the portfolio of assets.

Principle 7 - Evaluate board performance based on clear and relevant objectives, seeking continuous improvement.

The Directors intend to carry out board evaluations annually.

Principle 8 - Promote a corporate culture that is based on ethical values and behaviours.

It is the Board who set the standard/culture within the organisation and they ensure that there are appropriate codes of practice in place.

Principle 9 - Maintain governance structures and processes that are fit for purpose and support good decision-making by the board.

The Board has joint authority and decision-making powers for all aspects of the Company's activities.

The Board has adopted appropriate delegations of authority that set out matters that are reserved to the Board.

The Non-Executive Chairman is responsible for the effectiveness of the Board together with the responsibility to oversee the Company's corporate governance practices.

The responsibility for the Company's day-to-day operations has been delegated by the Board to FIM.

There are no separate committees as the board does not feel these are necessary given the size of the Board, the Company and the investment objective of realising all assets matters normally considered by a committee are considered by the Board as a whole.

Whilst there has been no formal adoption of matters reserved for the Board, the Directors review and approve the following:

- Strategy and management
- Policies and procedures
- Financial reporting and controls
- Capital structure
- Contracts
- Shareholder documents / Press announcements
- Adherence to Corporate Governance and best practice procedures

Principle 10 - Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

There are no additional committees and the board does not feel it is necessary at this time due to the size of the Company and the fact that it is in realisation mode.

If a significant proportion of votes (e.g. 20% of independent votes) have been cast against a resolution at any general meeting, the Company will include, on a timely basis, an explanation of what actions it intends to take to understand the reasons behind that vote result, and, where appropriate, any different action it has taken, or will take, as a result of the vote.

The results of votes taken at meetings are published on the Company's website. Historical annual reports and notices are also published on the website.

#### COMMITTEES

As detailed in Principle 5 there are no Board committees (and therefore no committee reports) and this will be highlighted in future Reports and Accounts.

The Company will monitor and review the need to form Committees to support the function of the Board.

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